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## OPINION OF TRUSTEES

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### In Re

Complainant: Laid-off Employee  
Respondent: Employer  
ROD Case No: 84-681 - December 2, 1988

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee;  
William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning the provision of continued benefits coverage for a laid-off Employee under the terms of the Employer Benefit Plan.

### Background Facts

The Complainant was employed in a classified job for the Respondent from June 19, 1986 until June 1987, when he was laid off and the Respondent relocated. Hours of service reported to the Funds by the Respondent indicate that the Complainant worked over 2,000 hours for the Respondent during the 24-month period prior to his layoff. The Complainant states that his health benefits coverage was terminated, effective February 1, 1988. The Complainant has submitted copies of unpaid medical bills for the period February 1988 through May 1988. The Complainant asks whether the Respondent is responsible for payment of his unpaid medical bills incurred during his period of eligibility for continued benefits coverage as a laid-off Employee.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984 which expired on January 31, 1988, but did not sign the 1988 Wage Agreement.

### Dispute

Is the Respondent responsible for payment of the Complainant's unpaid medical bills?

### Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for payment of his unpaid medical bills.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

#### Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

Article I (1), (2) and (4) of the Employer Benefit Plan provide:

#### Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, as amended from time to time and any successor agreement.
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article III D. (1) (a) of the Employer Benefit Plan provide:

#### Article III - Benefits

##### D. General Provisions

- (1) Continuation of Coverage
  - (a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

#### Discussion

Article XX (c)(3)(i) of the 1984 Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees and Pensioners. The issue here is whether the Respondent is contractually obligated to provide such coverage to its laid-off Employee beyond the expiration of the 1984 Wage Agreement when the Respondent did not sign the 1988 Wage Agreement.

The Trustees have previously decided in ROD 81-586 (copy enclosed herein) that active Employees who were laid off prior to the expiration of the Wage Agreement are entitled to the period of health benefits coverage specified by the Wage Agreement. Therefore, inasmuch as the Complainant was laid off prior to the expiration of the 1984 Wage Agreement, the Respondent is responsible for providing continued health benefits coverage for the Complainant for the period set forth in Article III. D. (1) (a) of the Employer Benefit Plan established pursuant to the 1984 Wage Agreement and incorporated by reference therein.

#### Opinion of the Trustees

The Respondent is responsible for payment of the Complainant's unpaid medical bills and for providing health benefits coverage for the Complainant for the period set forth in Article III. D. (1) (a) of the 1984 Employer Benefit Plan.